



2282 12/06/06 \$32,500.00 ✓

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	ORDER NO. D05-421
NATIONAL FOUNDATION LIFE)	
INSURANCE COMPANY,)	CONSENT AND ORDER
)	LEVYING A FINE
Authorized Insurer)	
)	

FINDINGS OF FACT

1. National Foundation Life Insurance Company ("NFL" or "The Company") is authorized to conduct insurance business in the State of Washington.
2. NFL issued four different policies of Medicare supplement insurance to policyholders in Washington from 1996 through 2005.
3. The rates charged by the Company for two of these Medicare supplement policies were twenty per cent (20%) higher than the rates it had filed with the State of Washington Office of the Insurance Commissioner ("OIC") from September, 1996 until January, 2004.
4. The rates charged by the Company for two of these Medicare supplement policies were ten per cent (10%) higher than the rates it had filed with the State of Washington OIC from December, 1998 until January, 2004.

CONCLUSION OF LAW

By charging rates in excess of those filed with the OIC from 1996 through 2005, National Foundation Life Insurance Company violated RCW 48.66.035(2).

CONSENT TO ORDER

NOW, THEREFORE, National Foundation Life Insurance Company consents to the following in consideration of The Company's desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of The Company's fine on such terms and conditions as are set forth below:

1. National Foundation consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and



waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;

2. Within thirty days of the entry of this Order, National Foundation agrees to pay to the OIC a fine in the amount of \$32,500 (thirty-two thousand five hundred);

3. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of the Company's Certificate of Authority; and

4. National Foundation understands and agrees that any future failure to comply with the statutes which are the subject of this Order constitutes grounds for further penalties which may be imposed in direct response to that further violation.

EXECUTED this 29th day of November, 2006.

NATIONAL FOUNDATION LIFE INSURANCE
COMPANY

By: 

Title: Associate General Counsel


ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. National Foundation Life Insurance Company is ordered to pay a fine in the amount of \$32,500 (thirty-two thousand five hundred).
2. \$32,500 (thirty-two thousand five hundred) must be paid in full within thirty days of the date of entry of this order. Failure to pay this fine and to adhere to the conditions of this agreement shall constitute grounds for revocation of National Foundation's Certificate of Authority, and in the recovery of the fine through a civil action brought on behalf of the commissioner by the attorney general.

ENTERED AT TUMWATER, WASHINGTON this 8th day of December, 2006.

Mike Kreidler
Washington State Insurance Commissioner

By: 
Andrea L. Philhower
Staff Attorney, Legal Affairs Division